

BOARD OF REGISTERED NURSING
Executive Officer's Report

Agenda Item: 6.0
Date: February 20, 2009

1.0 Governor's Executive Order S-16-08 – Employee Furlough

The Governor's Executive Order S-16-08 ordered a two-day-a-month furlough of all state employees. The furlough is accomplished by closing down general State government operations on the first and third Fridays of each month starting February 1, 2009 thru June 30, 2010. State offices, including all Department of Consumer Affairs (DCA) offices are closed those two days. The Board posted on its Web site and telephone system: "*Pursuant to the Governor's Executive Order S-16-08, beginning in February 2009, Board office will be closed the first and third Friday of each month until further notice.*" (Please see attached)

2.0 Governor's Proposal – Consolidation, Realignment or Elimination of Boards and Bureaus

As part of an effort to follow up on the work of the California Performance Review, the Governor proposes to merge smaller Boards or Bureaus into larger ones to eliminate redundancy, reduce costs and look for opportunities for efficiencies and savings. On December 31, 2008, Carrie Lopez, DCA Director and Scott Reid, DCA Chief Deputy Director held two conference calls, one with the executive officers and a second with board presidents to outline the consolidation, realignment, or elimination of a number of boards and bureaus. One of the proposals includes the consolidation of the Board of Vocational Nursing and Psychiatric Technicians with the Board of Registered Nursing.

On January 21, 2009, DCA held a Stakeholders Meeting in Sacramento to begin the dialogue with representatives from the various professions that are being considered for consolidation, realignment or elimination. This proposal is still in development and is subject to change; however, attached is the latest information that is found on the Legislative Analyst Office Web site at www.lao.ca.gov.

3.0 Board's Budget Update

2009/2010 BRN Budget and Reserve

Governor's budget for FY 2009/2010 is \$25.1 million with 105.3 net PYs after salary savings. The Board's Fund Condition for FY 2007/2008 had a reserve of 10.9 months. Projections for current year 2008/2009 show a reserve of 8.4 months and 6.9 months for budget year 2009/2010. It is anticipated our reserve will be down to 4.9 the following FY 2010/2011 at which time a fee increase will be necessary.

Current Year Budget Projections

The Board's current year budget is going to be very tight and is being monitored to maintain the business of the Board and ensuring only necessary expenditures are being made. The Board expended 48% of its budget in the first six months of this FY. As a result of the Emergency Regulation requiring an RN licensed before August 1990 submit fingerprints to the California Department of Justice (DOJ) and the FBI as well as responding to the conviction question that are now required at the time of license renewal the Board is absorbing the cost of 4.4 PYs, AG and OAH cost totaling \$529,000 for the remainder of this year.

Budget Summary

2008/2009 <u>Gov's Budget</u> \$24,138,194	2008/2009 <u>Projected Expenditures</u> \$24,127,116	2008/2009 <u>Year to Date Expenditures</u> \$11,611,198
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4.0 Renewal Process Update - Fingerprinting and Conviction Question

The Board has implemented the new procedures and updated all systems to address the changes to the California Code of Regulations Sections 1419, 1419.1 and 1419.3; requiring the submission of fingerprints for RNs who were issued their license prior to August 1990, and the disclosure of a conviction since the last license renewal.

Since the implementation of these new requirements the Board has experienced a 25% increase in the number of calls received in the Call Center compared to the same time last year. Additionally, as licensees comply with the fingerprint requirement the Board is receiving between 900 and 1500 DOJ and FBI fingerprint responses a day. Staff is working diligently to ensure that any requests for information or clarifications are being handled expeditiously since any oversight in answering a question can delay the RNs renewal.

5.0 Department of Consumer Affairs (DCA) Updates

Board Member Orientation – In accordance with Business and Professions Code Section 453, Board Members are required to attend DCA's Board Member Orientation within one year of their appointment. The next Board Member Orientation is set for Wednesday, April 22, 2009 in Southern California from 8:30 am to 4:30 pm. Please notify the Administration Unit if you would like to attend.

BreEZE (formerly known as the iLicensing Project) – The Department's efforts continue to provide a new on-line licensing system that will allow applicants and licensees to file their respective application on line and use a credit or debit card. The bid proposal evaluations are complete; however, due to errors discovered in the request for proposal, these bids were declared second drafts. DCA amended the RFP and allowed the bidders to revise and re-submit their proposals on February 10, 2009. This change delayed the final contract awards by approximately three months and the revised contract start date is November 13, 2009.

"Take Charge California" Campaign - Be Smart, Be Safe, Be Heard! This is the primary message of "Take Charge California", an exciting consumer education and empowerment campaign being developed by DCA. The campaign will offer consumers the information, resources and assistance they need to make informed and appropriate choices that insure the best possible outcomes for them. It will also help consumers learn the power of their voices in the marketplace and teach them how to effectively complain if they are dissatisfied. The keystone of the campaign will be an exciting, interactive, and cross-jurisdictional website that will ultimately become a one-stop-shop for consumers.

PACT- Healing Arts Roundtable – During the November 2008 Board Meeting, we had the opportunity to participate in the first Professionals Achieving Consumer Trust (PACT) Summit held in Los Angeles. With the anticipation of the next PACT Summit in early 2010, DCA is hosting the Healing Arts Roundtable in mid-April and an agenda will forthcoming. This meeting is taking place in Sacramento at DCA headquarters and board presidents, vice presidents, executive officers, and interested board members are invited to attend. This

program is structured to provide the leadership of the healing arts boards an opportunity to discuss cross-cutting issue that may include: impact of recession on shortages of licensed professionals, disaster recovery, disposal of medical/pharmaceutical waste, inactive licenses, disparities of care in communities, challenges licensing candidates trained outside of the U.S., substance abuse and addiction among licensed professionals, and establishing wellness/self care programs for professionals. You will be notified when this roundtable will be held.

6.0 Public Record Request

The Board continues to comply with public record request and responds within the required timeframes that are set in Government Code Section 6250. For the period of November 10, 2008 through January 30, 2009, the Board has received and processed 28 public record requests.

7.0 Personnel

The following personnel changes have transpired since the last Board Meeting:

New Hires	Classification	Board Program
Laura Dobbs	Office Assistant	Renewals
Rita Rickard	Office Assistant	Renewals
Truyen Le	Key Data Operator	Licensing
Sheila Granby	AGPA	Probation
Lorraine Clarke	AGPA	Enforcement
Cathy Alston	Mgmt Services Technician	Enforcement
Kathy Hodge	Staff Services Mgr I	Enforcement

Promotions	Classification	Board Program
Rosa Garcia-Farman	Office Services Supervisor II	Call Center
Marc Cardenas	Office Services Supervisor II	Licensing
Nanette Miller	Program Technician II	Call Center
Kamini Narayan	Program Technician II	Call Center

BOARD OF REGISTERED NURSING
Liaison Activities

December 7-9, 2008	Louise Bailey represented the National Council of State Boards of Nursing NCLEX Examination Committee at the Practice Analysis Committee meeting in Chicago.
January 6, 2009	Louise Bailey represented the BRN at a meeting between the California Community Colleges and the California State Universities to discuss possible legislation relative to articulation between the two entities for nursing students.
January 21-22	Louise Bailey attended, and participated, as a member of the National Council of State Boards of Nursing NCLEX Examination Committee meeting in Chicago.
January 26-27, 2009	Katie Daugherty attended the NCSBN Continued Competence Meeting in Chicago.
February 3, 2009	Louise Bailey participated, as a site visitor, with the Office of Statewide Health Planning and Development, for the "Access Through Primary Care Project - Demonstrating the Role of Advanced practice Clinicians in Expanding Early Pregnancy Care, in Concord.
February 8-10, 2009	RuthAnn Terry, LaFrancine Tate, Louise Bailey, Janette Wackerly, Susanne Phillips, Carol Mackay, Janette Wackerly, Badrieh Caraway and Miyo Minato attended the ACNL Conference in Monterey, "Exploring the Treasures of Nurse Leadership."
February 11, 2009	Louise Bailey attended and participated in the California Community College Nursing Advisory Committee (3C NAC) meeting in San Diego.
February 12-13, 2009	Louise Bailey, Alice Takahashi, Carol Mackay, Janette Wackerly, Katie Daugherty, Badrieh Caraway, Kay Weinkam and Miyo Minato attended the Spring COADN Conference in San Diego.
February 17, 2009	Louise Bailey participated, as a site visitor, with the Office of Statewide Health Planning and Development, for the "Access Through Primary Care Project - Demonstrating the Role of Advanced practice Clinicians in Expanding Early Pregnancy Care, in San Diego.

Department of Consumer Affairs

Eliminations of Boards and Bureaus

The Department of Consumer Affairs (DCA) is responsible for protecting consumers by licensing various occupations and promoting good business practices and standards of professional conduct. The department includes 28 semiautonomous boards, commissions, and committees that regulate various professions. These boards are comprised of appointed consumer and industry representatives, and set policy for their respective industries or professions. In addition, the department regulates additional professions through 12 bureaus and programs, which are statutorily under the control of the director of the department, and subject to the policies set by administration.

Governor Proposes Elimination of Boards and Bureaus. As part of an effort to follow up on the work of the California Performance Review, the Governor proposes to get rid of four boards, four bureaus, and two committees within DCA through program consolidations and eliminations. Figure 8 shows the boards and bureaus that would be affected by the plan, and the expenditures proposed for each in 2009–10. (The numbers do not reflect anticipated costs or savings associated with the proposal.) As the figure shows, the organizations vary in size. In general, the Governor's proposal merges smaller entities into larger ones. In total, the proposed budget for these boards, bureaus, and committees represents 14 percent of the proposed 2009–10 spending level for the entire department.

Figure 8

Consumer Affairs Boards and Bureaus Affected by the Governor's Plan

(Dollars in Millions)

	Estimated 2008-09	Proposed ^a 2009-10
Proposed Consolidations		
California Board of Accountancy	\$12.7	\$12.9
Professional Fiduciaries Bureau	0.3	0.4
Subtotals	(\$13.0)	(\$13.3)
Board of Behavioral Science ^b	\$6.4	\$7.3
Board of Psychology	3.5	3.6
Psychiatric Technicians ^c	1.7	2.3
Subtotals	(\$11.5)	(\$13.1)
Speech-Language Pathology and Audiology Board	\$0.4	\$0.8
Hearing Aid Dispensers Bureau	0.8	1.0
Subtotals	(\$1.2)	(\$1.8)
Board of Registered Nursing	\$24.1	\$25.1
Vocational Nursing ^c	7.0	9.3
Subtotals	(\$31.1)	(\$34.4)
Board of Geologists and Geophysicists ^d	\$1.4	\$1.4
Proposed Eliminations		
Court Reporter's Board	\$1.2	\$1.2

Inspection and Maintenance Review Committee ^a	0.2	0.2
Landscape Architects Technical Committee ^f	1.1	1.2
Bureau of Naturopathic Medicine	0.1	0.1
Telephone Medical Services Bureau	0.2	0.2
Subtotals	(\$2.8)	(\$2.8)
Total Affected Boards and Bureaus	\$60.9	\$66.8
As Percent of DCA Budget	13.7%	14.2%

^a Proposed consolidations and eliminations not reflected in January 10 budget.

^b Would create a new Board of Mental Health.

^c From the Board of Vocational Nursing and Psychiatric Technicians.

^d Would be consolidated into the State Mining and Geology Board with the Department of Conservation.

^e Now part of the Bureau of Automotive Repair.

^f Now part of Architect's Board.

While Details Lacking, Proposal Has Merit and Should Be Adopted. The administration has indicated that the overall goal of its proposal is to eliminate redundancy and reduce costs. We concur that opportunities for efficiencies and savings exist in DCA's regulatory programs. In the past, we have raised similar issues regarding the effectiveness of, or need for, several of the department's activities. As such, we think the Governor's proposal has merit and should be adopted.

In order to ensure that these changes are done in a cost-effective way, the Legislature would still require details from the administration regarding how the consolidation or elimination of the proposed boards and commissions would be implemented. At the time this analysis was prepared, we had not received the specifics on the proposal. For instance, it is not known how many and what types of positions would be eliminated as part of the proposed consolidations. Nonetheless, we think the proposal probably would result in program efficiencies, such as improved policy coordination among occupations in related fields and less duplication of work. The administration estimates that the proposal would save up to \$3.5 million in special fund monies. We think the savings would probably be lower in 2009-10, potentially in the range of \$1 million, but then increase in 2010-11 as full-year salary savings materialize. Under current law, any special fund balances of entities that were eliminated could be transferred to the General Fund.

The Governor's proposal relates to a relative few number of boards and commissions within DCA. We recommend that, at the time of budget hearings, the Legislature ask departmental representatives to discuss the efficiency and effectiveness of other boards, bureaus, and committees under the department's jurisdiction so that the Legislature may determine if additional entities should be reorganized or eliminated.

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Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

EXECUTIVE ORDER S-16-08

12/19/2008

WHEREAS, due to developments in the worldwide and national financial markets, and continuing weak performance in the California economy, there is an approximately \$15 billion General Fund deficit for the 2008-09 fiscal year, which without effective action, is estimated to grow to a \$42 billion General Fund budget shortfall over the next 18 months; and

WHEREAS the cash reserve in the State Treasury is below the amount established by the State Controller to ensure that the cash balance does not reach zero on any day in the month; and

WHEREAS without effective action to address the fiscal and cash crisis, the cash reserve in the State Treasury is estimated to be a negative \$5 billion in March 2009; and

WHEREAS on November 6, 2008, due to concerns regarding dramatically declining revenues, I issued a Special Session Proclamation and convened the Legislature of the State of California to meet in extraordinary session to address the fiscal crisis that California faces; and

WHEREAS the Legislature failed during that Special Session to enact any bills to address the State's significant economic problems; and

WHEREAS on December 1, 2008, due to the worsening fiscal crisis, I declared that a fiscal emergency exists and convened the Legislature to meet in extraordinary session to address the fiscal crisis that California faces; and

WHEREAS on December 1, 2008, due to the fiscal emergency and the nationwide economic recession, I also issued a Special Session Proclamation and convened the Legislature of the State of California to meet in extraordinary session to address the economic crisis; and

WHEREAS on December 17, 2008, the California Pooled Money Investment Board took the unprecedented action to halt lending money for an estimated 2,000 infrastructure projects as a result of the cash crisis, including the substantial risk that California will have insufficient cash to meet its obligations starting in February 2009; and

WHEREAS in the December 1, 2008 fiscal emergency extraordinary session, the Legislature failed to effectively address the unprecedented statewide fiscal crisis; and

WHEREAS immediate and comprehensive action is needed to address the fiscal and cash crisis facing the State of California; and

WHEREAS failure to substantially reduce the deficit carried forward from the current fiscal year into the next fiscal year will likely prevent the State from being able to finance the cashflow shortages of billions of dollars, thus making it likely that the State will miss payroll and other essential services payments at the beginning of 2009; and

WHEREAS immediate and comprehensive action to reduce current spending must be taken to ensure, to the maximum extent possible, that the essential services of the State are not jeopardized and the public health and safety is preserved; and

WHEREAS State agencies and departments under my direct executive authority have already taken steps to reduce their expenses to achieve budget and cash savings for the current fiscal year; and

WHEREAS a furlough will reduce current spending and immediately improve the State's ability to meet its

obligations to pay for essential services of the State so as not to jeopardize its residents' health and safety in the current and next fiscal year.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby determine that an emergency pursuant to Government Code section 3516.5 exists and issue this Order to become effective immediately:

IT IS ORDERED that effective February 1, 2009 through June 30, 2010, the Department of Personnel Administration shall adopt a plan to implement a furlough of represented state employees and supervisors for two days per month, regardless of funding source. This plan shall include a limited exemption process.

IT IS FURTHER ORDERED that effective February 1, 2009 through June 30, 2010, the Department of Personnel Administration shall adopt a plan to implement an equivalent furlough or salary reduction for all state managers, including exempt state employees, regardless of funding source.

IT IS FURTHER ORDERED that effective January 1, 2009 through June 30, 2010, the Department of Personnel Administration shall work with all State agencies and departments to initiate layoffs and other position reduction and program efficiency measures to achieve a reduction in General Fund payroll of up to ten percent. A limited exemption process shall be included.

IT IS FURTHER ORDERED effective January 1, 2009, the Department of Personnel Administration shall place the least senior twenty percent of state employees funded in any amount by General Fund resources on the State Restriction of Appointment (SROA) list.

IT IS FURTHER ORDERED that effective January 1, 2009 through June 30, 2010, all State agencies and departments under my direct executive authority, regardless of funding source, are prohibited from entering into any new personal services or consulting contracts to perform work as a result of the furloughs, layoffs or other position reduction measures implemented as a result of this Order.

IT IS REQUESTED that other entities of State government not under my direct executive authority, including the California Public Utilities Commission, the University of California, the California State University, California Community Colleges, the legislative branch (including the Legislative Counsel Bureau), and judicial branch, implement similar or other mitigation measures to achieve budget and cash savings for the current and next fiscal year.

This Order is not intended to create, and does not create, any rights or benefits, whether substantive or procedural, or enforceable at law or in equity, against the State of California or its agencies, departments, entities, officers, employees, or any other person.

I FURTHER ORDER that, as soon as hereafter possible, this Order shall be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 19th day of December, 2008.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:
DEBRA BOWEN
Secretary of State